

**GOVERNMENT OF INDIA  
TOURISM AND CULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:1873  
ANSWERED ON:15.12.2003  
PROMOTION OF HERITAGE HOTELS  
VIRENDRA KUMAR

**Will the Minister of TOURISM AND CULTURE be pleased to state:**

- (a) whether the Government is aware of the problems faced by heritage hotels in the country;
- (b) if so, the details thereof; and
- (c) the steps taken to resolve them and promote heritage hotels?

**Answer**

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a): Yea, Sir.

(b): The details of concessions sought by the heritage hotels from time to time include special tariff for electricity, reduction in liquor licence fee, rebate under various provisions of the Income Tax Act, exclusion of hotels from Luxury Tax, Service Tax, duty free import of essential items, concession under land and building tax, improvement of road, etc.

(c): The Department of Tourism, Government of India has taken up these issues with the State Governments and the concerned Union Ministries for extending concessions/incentives to all categories of hotels including heritage hotels.

The following incentives are available to hotels including heritage hotels:-

(i) Expenditure Tax on hotels has been completely withdrawn w.e.f. 1.6.2003.

(ii) Concessions under the Income Tax Act.

(iii) A further extension has been accorded to the hotel industry for exemption of Service Tax.

(iv) Hotel industry has been given the status of infrastructure for some of the incentives. Financial Institutions, which have infrastructure capital fund, will get the incentives under Section 10 (23G) of Income Tax Act for lending to hotels, on the same lines as available to them for lending to other infrastructure sectors. This facility will be available to such Financial Institutions for lending to 3 star and above hotels.

(v) Concessional Customs Duty on imports.

(vi) Capital Subsidy to new hotel projects in 1-star to 3-star category and heritage basic category under the same of Incentive to Accommodation Infrastructure of the Department of Tourism.

(vii) Free publicity and promotion through publicity material of the Department of

Tourism, Government of India and Indiatourism Offices in India and abroad.